

(4) Requests for a waiver or reduction of fees should ordinarily be made when the request is first submitted to the agency and should address the criteria referenced above. A requester may submit a fee waiver request at a later time so long as the underlying record request is pending or on administrative appeal. When a requester who has committed to pay fees subsequently asks for a waiver of those fees and that waiver is denied, the requester must pay any costs incurred up to the date the fee waiver request was received.

■ 9. Amend § 304.10 by revising paragraph (a) to read as follows:

**§ 304.10 Preservation of records.**

(a) The agency will preserve all correspondence pertaining to the requests that it receives under this subpart, as well as copies of all requested records, until disposition or destruction is authorized by title 44 of the United States Code or the National Archives and Records Administration's General Records Schedule 4.2. Records will not be disposed of while they are the subject of a pending request, appeal, or lawsuit under the FOIA.

\* \* \* \* \*

Dated: January 11, 2017.

**David M. Pritzker,**  
Deputy General Counsel.

[FR Doc. 2017-00891 Filed 1-19-17; 8:45 am]

BILLING CODE 6110-01-P

---

**FEDERAL RESERVE SYSTEM**

**12 CFR Part 201**

[Docket No. R-1558]

RIN 7100 AE-66

**Regulation A: Extensions of Credit by Federal Reserve Banks**

**AGENCY:** Board of Governors of the Federal Reserve System.

**ACTION:** Final rule.

**SUMMARY:** The Board of Governors of the Federal Reserve System ("Board") has adopted final amendments to its Regulation A to reflect the Board's approval of an increase in the rate for primary credit at each Federal Reserve Bank. The secondary credit rate at each Reserve Bank automatically increased by formula as a result of the Board's primary credit rate action.

**DATES:** The amendments to part 201 (Regulation A) are effective January 23, 2017. The rate changes for primary and secondary credit were effective as determined by the Board in its December 14, 2016 announcement.

**FOR FURTHER INFORMATION CONTACT:** Clinton Chen, Attorney (202-452-3952), or Sophia Allison, Special Counsel, (202-452-3565), Legal Division, or Lyle Kumasaka, Senior Financial Analyst (202-452-2382); for users of Telecommunications Device for the Deaf (TDD) only, contact 202-263-4869; Board of Governors of the Federal Reserve System, 20th and C Streets NW., Washington, DC 20551.

**SUPPLEMENTARY INFORMATION:** The Federal Reserve Banks make primary and secondary credit available to depository institutions as a backup source of funding on a short-term basis, usually overnight. The primary and secondary credit rates are the interest rates that the twelve Federal Reserve Banks charge for extensions of credit under these programs. In accordance with the Federal Reserve Act, the primary and secondary credit rates are established by the boards of directors of the Federal Reserve Banks, subject to the review and determination of the Board.

The Board voted to approve a ¼ percentage point increase in the primary credit rate in effect at each of the twelve Federal Reserve Banks, thereby increasing from 1.00 percent to 1.25 percent the rate that each Reserve Bank charges for extensions of primary credit. In addition, the Board had previously approved to renew the formula for the secondary credit rate, the primary credit rate plus 50 basis points. Under the formula, the secondary credit rate in effect at each of the twelve Federal Reserve Banks increased by ¼ percentage point as a result of the Board's primary credit rate action, thereby increasing from 1.50 percent to 1.75 percent the rate that each Reserve Bank charges for extensions of secondary credit. The amendments to Regulation A reflect these rate changes.

The rate changes for primary and secondary credit were effective as determined by the Board in its December 14, 2016 announcement.<sup>1</sup>

The ¼ percentage point increase in the primary credit rate was associated with an increase in the target range for the federal funds rate (from a target range of ¼ to ½ percent to a target range of ½ to ¾ percent) announced by the Federal Open Market Committee ("Committee") on December 14, 2016, as described in the Board's amendment of its Regulation D published elsewhere in today's **Federal Register**.

<sup>1</sup> Federal Reserve Implementation Note, "Decisions Regarding Monetary Policy Implementation" (Dec. 14, 2016), <https://www.federalreserve.gov/newsevents/press/monetary/20161214a1.htm>.

The presentation of the interest rates for primary and secondary credit has been changed in the Code of Federal Regulations to improve clarity.

**Administrative Procedure Act**

In general, the Administrative Procedure Act (12 U.S.C. 551 *et seq.*) ("APA") imposes three principal requirements when an agency promulgates legislative rules (rules made pursuant to congressionally delegated authority): (1) Publication with adequate notice of a proposed rule; (2) followed by a meaningful opportunity for the public to comment on the rule's content; and (3) publication of the final rule not less than 30 days before its effective date. The APA provides that notice and comment procedures do not apply if the agency for good cause finds them to be "unnecessary, impracticable, or contrary to the public interest." 12 U.S.C. 553(b)(3)(A). Section 553(d) of the APA also provides that publication not less than 30 days prior to a rule's effective date is not required for (1) a substantive rule which grants or recognizes an exemption or relieves a restriction; (2) interpretive rules and statements of policy; or (3) an agency finding good cause for shortened notice and publishing its reasoning with the rule. 12 U.S.C. 553(d). The APA further provides that the notice, public comment, and delayed effective date requirements of 5 U.S.C. 553 do not apply "to the extent that there is involved . . . a matter relating to agency management or personnel or to public property, loans, grants, benefits, or contracts." 5 U.S.C. 553(a)(2) (emphasis added).

Regulation A establishes the interest rates that the twelve Reserve Banks charge for extensions of primary credit and secondary credit. Accordingly, the Board has determined that the notice, public comment, and delayed effective date requirements of 5 U.S.C. 553 do not apply to the final amendments to Regulation A because the amendments involve a matter relating to loans. In addition, the Board has determined that, were the APA's requirements for notice, public comment, and delayed effective date to apply to the final amendments to Regulation A, those requirements would be unnecessary and contrary to the public interest. Delay in implementation of changes to the rates charged on primary credit and secondary credit would permit insured depository institutions to profit improperly from the difference in the current rate and the announced increased rate. Delay would also undermine the Board's action in

responding to economic data and conditions. For these reasons, the Board has determined that “good cause” within the meaning of the APA exists to dispense with the notice, public comment, and delayed effective date procedures of the APA with respect to the final amendments to Regulation A.

### Regulatory Flexibility Analysis

The Regulatory Flexibility Act (“RFA”) does not apply to a rulemaking where a general notice of proposed rulemaking is not required.<sup>2</sup> As noted previously, a general notice of proposed rulemaking is not required if the final rule involves a matter relating to loans. Furthermore, the Board has determined that it is unnecessary and contrary to the public interest to publish a general notice of proposed rulemaking for this final rule. Accordingly, the RFA’s requirements relating to an initial and final regulatory flexibility analysis do not apply.

### Paperwork Reduction Act

In accordance with the Paperwork Reduction Act (“PRA”) of 1995 (44 U.S.C. 3506; 5 CFR part 1320 Appendix A.1), the Board reviewed the final rule under the authority delegated to the Board by the Office of Management and Budget. The final rule contains no requirements subject to the PRA.

### List of Subjects in 12 CFR Part 201

Banks, banking, Federal Reserve System, Reporting and recordkeeping.

### Authority and Issuance

For the reasons set forth in the preamble, the Board is amending 12 CFR Chapter II to read as follows:

#### 12 CFR CHAPTER II

### PART 201—EXTENSIONS OF CREDIT BY FEDERAL RESERVE BANKS (REGULATION A)

■ 1. The authority citation for part 201 continues to read as follows:

**Authority:** 12 U.S.C. 248(i)–(j), 343 *et seq.*, 347a, 347b, 347c, 348 *et seq.*, 357, 374, 374a, and 461.

■ 2. In § 201.51, paragraphs (a) and (b) are revised to read as follows:

#### § 201.51 Interest rates applicable to credit extended by a Federal Reserve Bank.<sup>3</sup>

(a) *Primary credit.* The interest rate at each Federal Reserve Bank for primary credit provided to depository

institutions under § 201.4(a) is 1.25 percent.

(b) *Secondary credit.* The interest rate at each Federal Reserve Bank for secondary credit provided to depository institutions under § 201.4(b) is 1.75 percent.

\* \* \* \* \*

By order of the Board of Governors of the Federal Reserve System, January 9, 2017.

**Robert deV. Frierson,**  
*Secretary of the Board.*

[FR Doc. 2017–00612 Filed 1–19–17; 8:45 am]

**BILLING CODE 6210–01–P**

## FEDERAL RESERVE SYSTEM

### 12 CFR Part 204

[Docket No. R–1559]

RIN 7100 AE–67

### Regulation D: Reserve Requirements of Depository Institutions

**AGENCY:** Board of Governors of the Federal Reserve System.

**ACTION:** Final rule.

**SUMMARY:** The Board of Governors of the Federal Reserve System (“Board”) is amending Regulation D (Reserve Requirements of Depository Institutions) to revise the rate of interest paid on balances maintained to satisfy reserve balance requirements (“IORR”) and the rate of interest paid on excess balances (“IOER”) maintained at Federal Reserve Banks by or on behalf of eligible institutions. The final amendments specify that IORR is 0.75 percent and IOER is 0.75 percent, a 0.25 percentage point increase from their prior levels. The amendments are intended to enhance the role of such rates of interest in moving the Federal funds rate into the target range established by the Federal Open Market Committee (“FOMC” or “Committee”).

**DATES:** The amendments to part 204 (Regulation D) are effective January 23, 2017. The IORR and IOER rate changes were applicable on December 15, 2016, as specified in 12 CFR 204.10(b)(5), as amended.

**FOR FURTHER INFORMATION CONTACT:** Clinton Chen, Attorney (202–452–3952), or Sophia Allison, Special Counsel (202–452–3198), Legal Division, or Thomas Keating, Financial Analyst (202–973–7401), or Laura Lipscomb, Section Chief (202–973–7964), Division of Monetary Affairs; for users of Telecommunications Device for the Deaf (TDD) only, contact 202–263–4869; Board of Governors of the Federal Reserve System, 20th and C Streets NW., Washington, DC 20551.

## SUPPLEMENTARY INFORMATION:

### I. Statutory and Regulatory Background

For monetary policy purposes, section 19 of the Federal Reserve Act (“the Act”) imposes reserve requirements on certain types of deposits and other liabilities of depository institutions. Regulation D, which implements section 19 of the Act, requires that a depository institution meet reserve requirements by holding cash in its vault, or if vault cash is insufficient, by maintaining a balance in an account at a Federal Reserve Bank (“Reserve Bank”).<sup>1</sup> Section 19 also provides that balances maintained by or on behalf of certain institutions in an account at a Reserve Bank may receive earnings to be paid by the Reserve Bank at least once each quarter, at a rate or rates not to exceed the general level of short-term interest rates. Institutions that are eligible to receive earnings on their balances held at Reserve Banks (“eligible institutions”) include depository institutions and certain other institutions.<sup>2</sup> Section 19 also provides that the Board may prescribe regulations concerning the payment of earnings on balances at a Reserve Bank.<sup>3</sup> Prior to these amendments, Regulation D specified a rate of 0.50 percent for both IOER and IOER.<sup>4</sup>

### II. Amendments to IORR and IOER

The Board is amending § 204.10(b)(5) of Regulation D to specify that IORR is 0.75 percent and IOER is 0.75 percent. This 0.25 percentage point increase in

<sup>1</sup> 12 CFR 204.5(a)(1).

<sup>2</sup> Section 19(b)(1)(A) defines “depository institution” as any insured bank as defined in section 3 of the Federal Deposit Insurance Act or any bank which is eligible to make application to become an insured bank under section 5 of such Act; any mutual savings bank as defined in section 3 of the Federal Deposit Insurance Act or any bank which is eligible to make application to become an insured bank under section 5 of such Act; any savings bank as defined in section 3 of the Federal Deposit Insurance Act or any bank which is eligible to make application to become an insured bank under section 5 of such Act; any insured credit union as defined in section 101 of the Federal Credit Union Act or any credit union which is eligible to make application to become an insured credit union pursuant to section 201 of such Act; any member as defined in section 2 of the Federal Home Loan Bank Act; [and] any savings association (as defined in section 3 of the Federal Deposit Insurance Act) which is an insured depository institution (as defined in such Act) or is eligible to apply to become an insured depository institution under the Federal Deposit Insurance Act. See 12 U.S.C. 461(b)(1)(A). Eligible institution also includes any trust company, corporation organized under section 25A or having an agreement with the Board under section 25, or any branch or agency of a foreign bank (as defined in section 1(b) of the International Banking Act of 1978). 12 U.S.C. 461(b)(12)(C); see 12 CFR 204.2(y) (definition of “eligible institution”).

<sup>3</sup> See 12 U.S.C. 461(b)(12).

<sup>4</sup> See 12 CFR 204.10(b)(5).

<sup>2</sup> 5 U.S.C. 603 and 604.

<sup>3</sup> The primary, secondary, and seasonal credit rates described in this section apply to both advances and discounts made under the primary, secondary, and seasonal credit programs, respectively.